

PLACER COUNTY ECONOMIC FORECAST

Rising from 100 feet above sea level on its western border to over 9,000 feet in the eastern Sierra Mountain range, Placer County is located in the northern Sacramento Valley and has an eastern border that touches the Nevada state line. Placer County has a population of 365,000 people and approximately 136,000 wage and salary jobs. The per capita income in Placer County is \$54,620 and the average salary per worker is \$59,996.

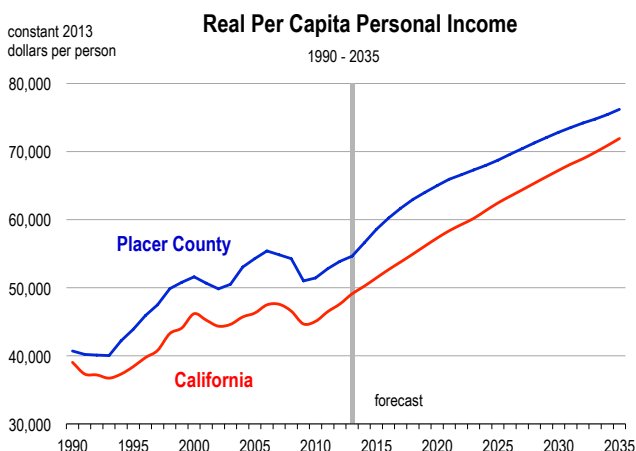
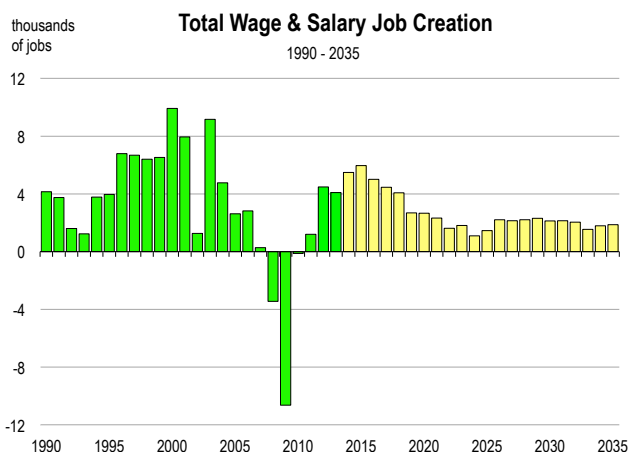
Employment across Northern California increased by 3.7 percent in 2013, whereas employment in the Sacramento Valley (consisting of Sacramento, Yolo, Placer, El Dorado, Yuba and Sutter counties) increased by 2.6 percent. In Placer County, 4,100 wage and salary jobs were created, representing a growth rate of 3.1 percent. The unemployment rate improved markedly, falling from 9.3 percent in 2012 to 7.6 percent in 2013.

During 2013, the largest employment gains were observed in education and healthcare (+1,100 jobs), construction (+990 jobs), leisure and hospitality (+770 jobs), and wholesale and retail trade (+450 jobs). Significant declines were not observed in any sector.

Over the 2008-2013 period, the Placer County population increased at a rate of 1.6 percent per year. This growth was largely due to net migration, as an average of 4,300 net migrants entered the county each year.

FORECAST HIGHLIGHTS

- Job growth will accelerate in 2014, as total employment increases by 4.0 percent. Between 2014 and 2019, growth will average 3.0 percent per year – one of the highest rates in the state.
- Average salaries are currently below the California state average, and will remain so over the foreseeable future. In Placer County, inflation-adjusted salaries are forecasted to rise by 1.1 percent per year between 2014 and 2019.
- Over the next five years, employment growth will be greatest in professional and business services (+3,700 jobs), leisure and hospitality (+3,600 jobs), education and healthcare (+3,300 jobs), wholesale and retail trade (+3,200 jobs), and construction (+3,100 jobs). Combined, these sectors will account for 76 percent of net job creation in the county.
- Annual population growth in the 2014-2019 period will average 1.4 percent per year. The vast majority of this growth will be the result of rapid in-migration. Net migration will average 4,600 people per year, accounting for 87 percent of total population growth.

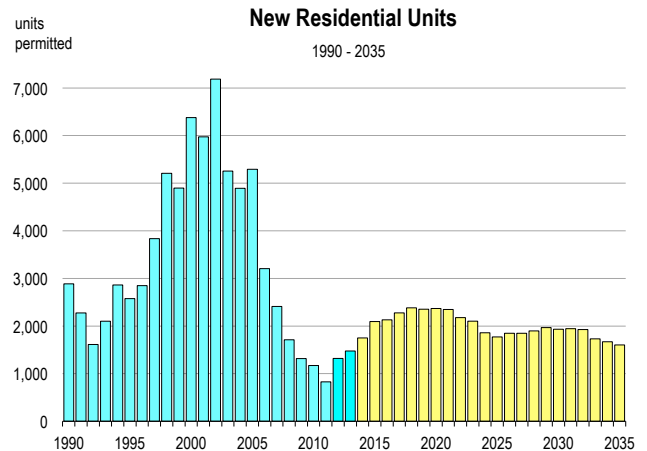
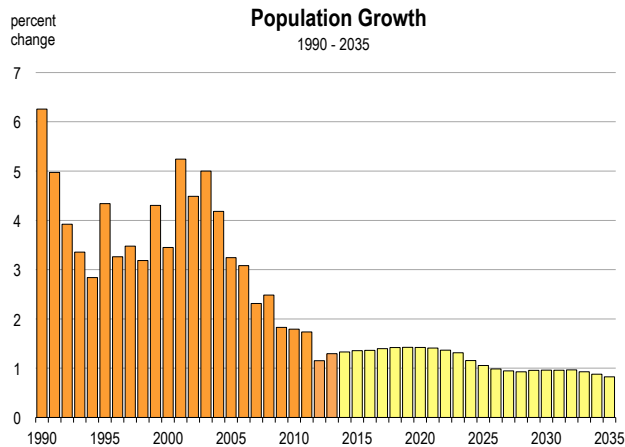


- Real per capita income is expected to increase by 3.6 percent in 2014. During the 2014-2019 period, real per capita income growth will average 2.5 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 5.1 percent per year between 2014 and 2019 – faster than almost any other county in the state.
- Industrial production will increase by 4.5 percent in 2014. From 2014 to 2019, industrial production is forecasted to rise by 4.8 percent per year.

Placer County Economic Forecast

2006-2013 History, 2014-2040 Forecast

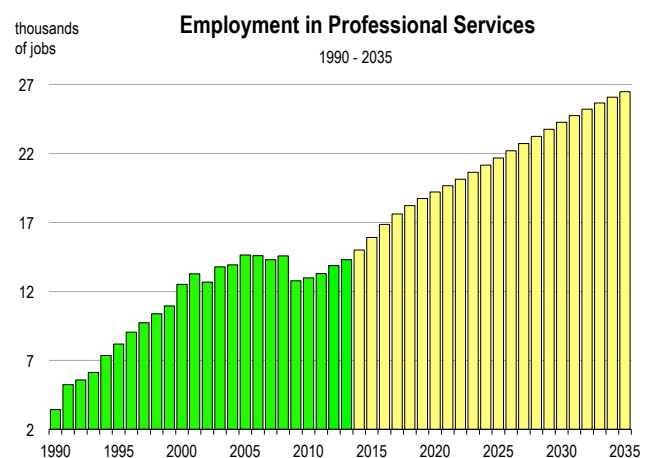
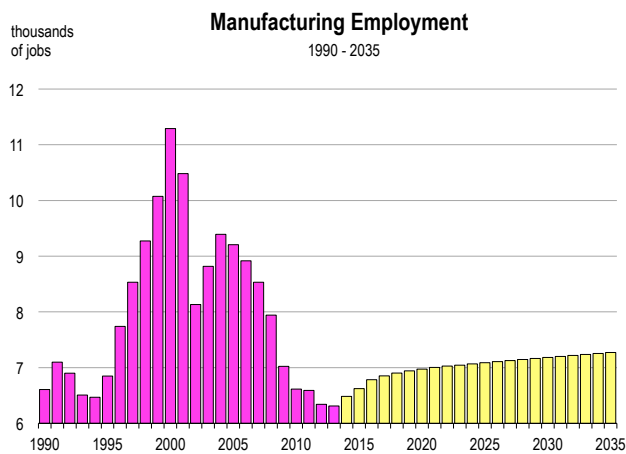
| | Population (people) | Net Migration (people) | Registered Vehicles (thousands) | Households (thousands) | New Homes Permitted (homes) | Total Taxable Sales (billions) | Personal Income (billions) | Real Per Capita Income (dollars) | Inflation Rate (% change in CPI) | Real Farm Crop Value (millions) | Real Industrial Production (billions) | Unemploy- ment Rate (percent) |
|------|------------------------|------------------------------|---------------------------------------|---------------------------|-----------------------------------|--------------------------------------|----------------------------------|--|--|---------------------------------------|---|-------------------------------------|
| 2006 | 322,270 | 8,184 | 372 | 123.7 | 3,205 | \$7.53 | \$15.2 | \$55,392 | 3.2 | 61.8 | 1.7 | 4.2 |
| 2007 | 329,719 | 5,994 | 372 | 126.9 | 2,413 | \$7.43 | \$16.0 | \$54,818 | 3.4 | 59.7 | 1.7 | 4.8 |
| 2008 | 337,914 | 6,668 | 371 | 129.8 | 1,713 | \$6.63 | \$16.7 | \$54,283 | 3.0 | 57.6 | 1.6 | 6.5 |
| 2009 | 344,088 | 4,812 | 376 | 131.3 | 1,315 | \$5.80 | \$16.1 | \$51,012 | 0.8 | 72.5 | 1.5 | 10.4 |
| 2010 | 350,255 | 4,832 | 376 | 132.7 | 1,169 | \$6.02 | \$16.7 | \$51,426 | 1.3 | 65.7 | 1.5 | 11.5 |
| 2011 | 356,334 | 4,998 | 379 | 133.6 | 829 | \$6.57 | \$17.9 | \$52,791 | 2.7 | 65.2 | 1.5 | 10.8 |
| 2012 | 360,440 | 3,139 | 380 | 134.3 | 1,320 | \$7.07 | \$19.0 | \$53,881 | 2.7 | 71.3 | 1.5 | 9.3 |
| 2013 | 365,107 | 3,808 | 395 | 135.5 | 1,476 | \$7.74 | \$19.9 | \$54,620 | 2.2 | 71.8 | 1.6 | 7.6 |
| 2014 | 369,961 | 4,124 | 400 | 136.9 | 1,750 | \$8.42 | \$21.5 | \$56,599 | 2.7 | 67.7 | 1.6 | 6.5 |
| 2015 | 374,977 | 4,338 | 407 | 138.5 | 2,095 | \$9.21 | \$23.3 | \$58,564 | 3.2 | 72.3 | 1.7 | 5.6 |
| 2016 | 380,084 | 4,460 | 413 | 140.3 | 2,131 | \$10.08 | \$25.0 | \$60,240 | 3.1 | 71.7 | 1.8 | 4.9 |
| 2017 | 385,393 | 4,656 | 420 | 142.3 | 2,276 | \$10.80 | \$26.6 | \$61,659 | 2.3 | 71.2 | 1.9 | 4.6 |
| 2018 | 390,862 | 4,785 | 426 | 144.3 | 2,383 | \$11.55 | \$28.1 | \$62,976 | 2.2 | 70.2 | 2.0 | 4.5 |
| 2019 | 396,425 | 4,850 | 431 | 146.5 | 2,354 | \$12.31 | \$29.7 | \$63,988 | 2.3 | 68.3 | 2.1 | 4.5 |
| 2020 | 402,058 | 4,893 | 436 | 148.6 | 2,369 | \$13.06 | \$31.2 | \$64,988 | 2.3 | 71.6 | 2.1 | 4.5 |
| 2021 | 407,722 | 4,890 | 441 | 150.7 | 2,348 | \$13.83 | \$32.9 | \$65,921 | 2.4 | 76.0 | 2.2 | 4.6 |
| 2022 | 413,291 | 4,756 | 445 | 152.8 | 2,177 | \$14.57 | \$34.5 | \$66,593 | 2.5 | 72.8 | 2.3 | 4.6 |
| 2023 | 418,719 | 4,589 | 449 | 154.8 | 2,102 | \$15.35 | \$36.2 | \$67,300 | 2.4 | 69.6 | 2.4 | 4.5 |
| 2024 | 423,555 | 3,983 | 452 | 156.7 | 1,859 | \$16.17 | \$37.9 | \$67,963 | 2.4 | 65.6 | 2.5 | 4.6 |
| 2025 | 428,022 | 3,604 | 455 | 158.3 | 1,772 | \$17.01 | \$39.7 | \$68,737 | 2.4 | 62.5 | 2.6 | 4.6 |
| 2026 | 432,238 | 3,344 | 459 | 159.9 | 1,848 | \$17.90 | \$41.6 | \$69,596 | 2.4 | 61.2 | 2.7 | 4.6 |
| 2027 | 436,325 | 3,206 | 464 | 161.6 | 1,848 | \$18.85 | \$43.5 | \$70,415 | 2.4 | 61.0 | 2.8 | 4.6 |
| 2028 | 440,369 | 3,160 | 468 | 163.3 | 1,898 | \$19.86 | \$45.5 | \$71,248 | 2.4 | 59.0 | 2.9 | 4.6 |
| 2029 | 444,581 | 3,322 | 472 | 165.0 | 1,967 | \$20.91 | \$47.6 | \$72,073 | 2.4 | 57.7 | 3.0 | 4.6 |
| 2030 | 448,852 | 3,380 | 477 | 166.7 | 1,933 | \$22.02 | \$49.7 | \$72,819 | 2.4 | 61.0 | 3.1 | 4.6 |
| 2031 | 453,156 | 3,412 | 481 | 168.5 | 1,945 | \$23.23 | \$51.9 | \$73,546 | 2.4 | 64.5 | 3.2 | 4.6 |
| 2032 | 457,532 | 3,489 | 485 | 170.2 | 1,926 | \$24.49 | \$54.1 | \$74,204 | 2.4 | 58.8 | 3.3 | 4.6 |
| 2033 | 461,776 | 3,373 | 489 | 172.0 | 1,731 | \$25.78 | \$56.4 | \$74,766 | 2.4 | 53.4 | 3.5 | 4.6 |
| 2034 | 465,832 | 3,216 | 492 | 173.5 | 1,670 | \$27.11 | \$58.8 | \$75,445 | 2.4 | 48.8 | 3.6 | 4.6 |
| 2035 | 469,674 | 3,023 | 496 | 175.0 | 1,603 | \$28.50 | \$61.3 | \$76,207 | 2.4 | 48.0 | 3.7 | 4.6 |
| 2036 | 473,362 | 2,915 | 500 | 176.5 | 1,571 | \$29.92 | \$64.0 | \$77,028 | 2.4 | 40.9 | 3.9 | 4.6 |
| 2037 | 476,915 | 2,853 | 506 | 177.9 | 1,574 | \$31.40 | \$66.8 | \$77,925 | 2.4 | 37.0 | 4.0 | 4.6 |
| 2038 | 480,310 | 2,801 | 511 | 179.3 | 1,527 | \$32.92 | \$69.7 | \$78,848 | 2.4 | 42.5 | 4.2 | 4.6 |
| 2039 | 483,545 | 2,745 | 517 | 180.7 | 1,485 | \$34.49 | \$72.8 | \$79,803 | 2.4 | 38.4 | 4.3 | 4.6 |
| 2040 | 486,595 | 2,670 | 523 | 182.0 | 1,450 | \$36.10 | \$75.9 | \$80,797 | 2.4 | 34.6 | 4.4 | 4.6 |

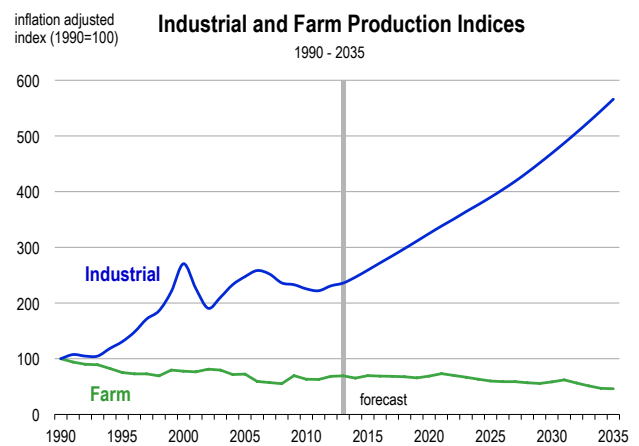
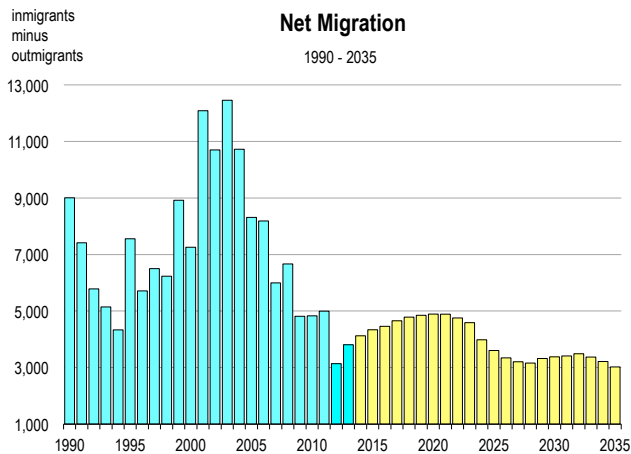
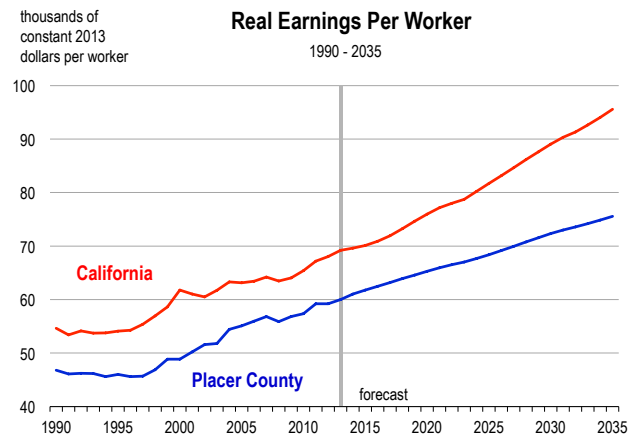
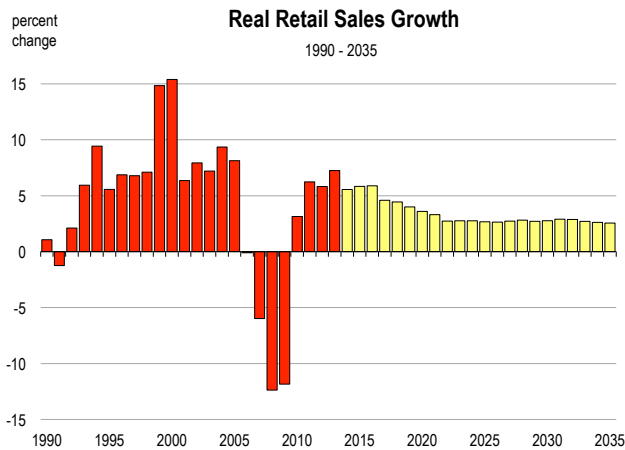


Placer County Employment Forecast

2006-2013 History, 2014-2040 Forecast

| | Total Wage & Salary | Farm | Construction | Manufac- turing | Transportation & Utilities | Wholesale & Retail Trade | Financial Activities | Professional Services | Information | Health & Education | Leisure | Government |
|------|--|------|--------------|--------------------|-------------------------------|-----------------------------|-------------------------|--------------------------|-------------|-----------------------|---------|------------|
| | -----employment (thousands of jobs)----- | | | | | | | | | | | |
| 2006 | 140.1 | 0.35 | 16.1 | 8.9 | 3.1 | 25.4 | 11.5 | 14.6 | 2.9 | 13.9 | 18.7 | 20.3 |
| 2007 | 140.4 | 0.34 | 14.7 | 8.5 | 3.1 | 26.1 | 11.3 | 14.3 | 2.6 | 15.8 | 19.1 | 20.0 |
| 2008 | 136.9 | 0.40 | 12.3 | 7.9 | 2.9 | 25.0 | 10.6 | 14.6 | 2.4 | 16.7 | 19.3 | 19.9 |
| 2009 | 126.3 | 0.34 | 9.2 | 7.0 | 3.0 | 23.0 | 10.0 | 12.8 | 2.5 | 17.1 | 18.0 | 18.7 |
| 2010 | 126.2 | 0.34 | 8.4 | 6.6 | 3.0 | 23.0 | 9.7 | 13.0 | 2.5 | 18.1 | 18.1 | 18.9 |
| 2011 | 127.4 | 0.35 | 8.1 | 6.6 | 2.8 | 23.5 | 9.7 | 13.3 | 2.3 | 19.3 | 18.5 | 18.2 |
| 2012 | 131.8 | 0.35 | 8.4 | 6.3 | 2.9 | 24.7 | 10.2 | 13.9 | 2.3 | 20.4 | 18.7 | 18.7 |
| 2013 | 135.9 | 0.36 | 9.4 | 6.3 | 2.9 | 25.1 | 10.5 | 14.3 | 2.2 | 21.5 | 19.5 | 18.8 |
| 2014 | 141.4 | 0.36 | 10.3 | 6.5 | 3.0 | 25.9 | 11.1 | 15.0 | 2.2 | 22.6 | 20.4 | 18.8 |
| 2015 | 147.4 | 0.38 | 11.7 | 6.6 | 3.1 | 26.7 | 11.3 | 15.9 | 2.3 | 23.4 | 21.3 | 19.3 |
| 2016 | 152.4 | 0.38 | 12.3 | 6.8 | 3.2 | 27.5 | 11.6 | 16.9 | 2.4 | 24.0 | 22.3 | 19.6 |
| 2017 | 156.9 | 0.38 | 12.9 | 6.9 | 3.3 | 28.1 | 12.0 | 17.6 | 2.4 | 24.7 | 23.1 | 19.8 |
| 2018 | 160.9 | 0.37 | 13.4 | 6.9 | 3.4 | 28.7 | 12.4 | 18.2 | 2.5 | 25.3 | 23.7 | 20.2 |
| 2019 | 163.6 | 0.37 | 13.4 | 6.9 | 3.5 | 29.1 | 12.6 | 18.7 | 2.5 | 25.9 | 24.0 | 20.1 |
| 2020 | 166.3 | 0.38 | 13.6 | 7.0 | 3.7 | 29.6 | 12.9 | 19.2 | 2.5 | 26.6 | 24.1 | 20.3 |
| 2021 | 168.6 | 0.40 | 13.6 | 7.0 | 3.8 | 30.0 | 13.1 | 19.7 | 2.6 | 27.2 | 24.2 | 20.5 |
| 2022 | 170.2 | 0.39 | 13.2 | 7.0 | 3.9 | 30.3 | 13.1 | 20.1 | 2.6 | 27.9 | 24.2 | 20.7 |
| 2023 | 172.0 | 0.37 | 13.1 | 7.0 | 4.0 | 30.6 | 13.0 | 20.6 | 2.6 | 28.6 | 24.2 | 20.8 |
| 2024 | 173.1 | 0.36 | 12.5 | 7.1 | 4.1 | 31.0 | 12.7 | 21.2 | 2.7 | 29.2 | 24.3 | 21.0 |
| 2025 | 174.6 | 0.34 | 12.3 | 7.1 | 4.2 | 31.3 | 12.4 | 21.7 | 2.7 | 29.7 | 24.4 | 21.3 |
| 2026 | 176.8 | 0.34 | 12.5 | 7.1 | 4.3 | 31.6 | 12.5 | 22.2 | 2.7 | 30.3 | 24.4 | 21.5 |
| 2027 | 178.9 | 0.34 | 12.4 | 7.1 | 4.4 | 31.9 | 12.7 | 22.7 | 2.7 | 30.8 | 24.5 | 21.7 |
| 2028 | 181.1 | 0.33 | 12.5 | 7.1 | 4.4 | 32.3 | 12.8 | 23.2 | 2.8 | 31.3 | 24.5 | 22.0 |
| 2029 | 183.5 | 0.32 | 12.7 | 7.2 | 4.5 | 32.6 | 12.9 | 23.8 | 2.8 | 31.9 | 24.6 | 22.2 |
| 2030 | 185.6 | 0.34 | 12.7 | 7.2 | 4.6 | 32.9 | 13.1 | 24.3 | 2.8 | 32.4 | 24.6 | 22.5 |
| 2031 | 187.7 | 0.35 | 12.7 | 7.2 | 4.7 | 33.3 | 13.2 | 24.8 | 2.9 | 33.0 | 24.7 | 22.8 |
| 2032 | 189.8 | 0.33 | 12.6 | 7.2 | 4.8 | 33.6 | 13.4 | 25.2 | 2.9 | 33.6 | 24.8 | 23.0 |
| 2033 | 191.3 | 0.31 | 12.2 | 7.2 | 4.9 | 34.0 | 13.5 | 25.7 | 2.9 | 34.1 | 24.8 | 23.3 |
| 2034 | 193.1 | 0.29 | 12.0 | 7.3 | 5.0 | 34.3 | 13.5 | 26.1 | 3.0 | 34.7 | 24.9 | 23.5 |
| 2035 | 195.0 | 0.28 | 11.8 | 7.3 | 5.1 | 34.6 | 13.7 | 26.5 | 3.0 | 35.2 | 24.9 | 23.8 |
| 2036 | 196.9 | 0.25 | 11.7 | 7.3 | 5.1 | 34.9 | 13.8 | 26.9 | 3.0 | 35.8 | 25.0 | 24.1 |
| 2037 | 198.9 | 0.24 | 11.7 | 7.3 | 5.2 | 35.2 | 14.1 | 27.2 | 3.1 | 36.4 | 25.0 | 24.3 |
| 2038 | 200.9 | 0.26 | 11.6 | 7.3 | 5.3 | 35.5 | 14.2 | 27.6 | 3.1 | 36.9 | 25.1 | 24.6 |
| 2039 | 202.7 | 0.24 | 11.4 | 7.3 | 5.4 | 35.8 | 14.4 | 28.0 | 3.1 | 37.5 | 25.1 | 24.9 |
| 2040 | 204.6 | 0.23 | 11.3 | 7.4 | 5.5 | 36.1 | 14.6 | 28.4 | 3.2 | 38.1 | 25.2 | 25.2 |





County Economic and Demographic Indicators

Projected Economic Growth (2014-2019)

| | |
|----------------------------------|--------------|
| Expected retail sales growth: | 27.3% |
| Expected job growth: | 15.7% |
| Fastest growing jobs sector: | Construction |
| Expected personal income growth: | 21.1% |

| | |
|--|--------|
| Expected population growth: | 7.2% |
| Net migration to account for: | 87.2 % |
| Expected growth in number of vehicles: | 7.8% |

Demographics (2014)

| | |
|---|-------|
| Unemployment rate (April 2014): | 6.1% |
| County rank* in California (58 counties): | 12th |
| Working age (16-64) population: | 62.9% |

| | |
|--|-----------|
| Population with B.A. degree or higher: | 35.6% |
| Median home selling price (2013): | \$345,500 |
| Median household income: | \$68,696 |

Quality of Life

| | |
|---|-------------------------|
| Violent crime rate (2012): | 188 per 100,000 persons |
| County rank* in California (58 counties): | 3rd |
| Average commute time to work (2014): | 28.9 minutes |

| | |
|--|------|
| High school drop out rate (2012): | 5.6% |
| Households at/below poverty line (2014): | 6.0% |

* The county ranked 1st corresponds to the lowest rate in California